



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt  
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January 7, 2000

CERTIFIED RETURN RECEIPT  
P 074 976 801

Ken Done  
Kennecott Utah Copper Corporation  
8315 West 3595 South  
P.O. Box 6001  
Magna, Utah 84044-6001

Re: Approval of Replacement Surety, Kennecott Utah Copper Corporation, North Tailings Expansion - Modernization Project, M/035/015, Salt Lake County, Utah

Dear Mr. Done:

On January 6, 2000, the Division Director approved of Kennecott's replacement surety for the North Tailings Expansion - Modernization Project. The replacement surety is in the form of a surety bond #400KC7052 issued by St. Paul Fire and Marine in the amount of \$20,628,000. This replaces the Letter of Credit #S-867562 issued by Morgan Guaranty Trust Company in the amount of \$17,485,000.

Enclosed is a copy of the fully signed and executed replacement surety bond and new reclamation contract for your records. The replacement surety has been escalated five years in the future to the year 2005. At that time the surety will have to be reviewed again, unless the plan is modified before that time. Also enclosed for your disposal is the original reclamation contract (effective date of 1/24/96) and the original Morgan Guaranty Trust Company LOC #S-867562.

Thank you for your assistance in finalizing this replacement surety. If you have any questions or concerns regarding this letter, please contact me at (801) 538-5286 or Tony Gallegos at 538-5267.

Sincerely,

D. Wayne Hedberg  
Permit Supervisor  
Minerals Regulatory Program

jb  
Enclosure: 1/6/2000 MR-RC & surety #400KC7052  
1/24/96 MR-RC & Original LMO #S-867562  
M35-15.ltr